

OSTER
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August 24, 2006



Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

RECORDATION NO. 26526 FILED

AUG 24 '06 3-24 PM

SURFACE TRANSPORTATION BOARD

Dear Sir:

Enclosed for recording with the Surface Transportation Board is a Memorandum of Loan Agreement dated 8/10/06 including the following parties and railroad equipment:

Secured Party: U.S. Bancorp Equipment Finance, Inc.
13010 SW 68th Parkway
Portland, OR 97223

Debtor: Western Railroad Equipment Company
1370 Colleen Avenue
Arden Hills, MN 55112

Equipment: 20, Pressure Differential Covered Hoppers
WREX 6001-6020
Previously INRD 374101-375124, NI

Please record this agreement as a primary document. The filing fee of \$34 is enclosed.

Summary: Memorandum of Loan Agreement dated 8/10/06 between U.S. Bancorp Equipment Finance, Inc. as Secured Party and Western Railroad Equipment Company as Debtor including 20, Covered Hoppers, WREX 6001-6020, previously INRD numbers above.

Sincerely,

Mary Ann Oster
Research Consultant

Enclosures



AUG 24 '06

3-24 PM

MEMORANDUM OF LOAN AGREEMENT

Equipment Finance, Inc. SURFACE TRANSPORTATION BOARD

Memorandum of Loan Agreement is made and entered into on August 10, 2006 by and between U.S. Bancorp Equipment Finance, Inc. "Secured Party", and, Western Railroad Equipment Company, "Debtor".

The undersigned have entered into that certain Master Loan Agreement dated August 10, 2006, whereby the Secured Party has agreed to Loan to the Debtor and the Debtor has agreed to Loan from the Secured Party certain Collateral as listed on Exhibit "A" attached hereto, subject to the terms defined in the Schedule (Number 757063-Interim), dated August 10, 2006.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed as of the date and year first above written.

Secured Party:
U.S. Bancorp Equipment Finance, Inc.

Debtor:
Western Railroad Equipment Company

BY: Kristin Voss, Vice President
An Authorized Officer

BY: Ed Robinson
Chief Financial Officer

Executed on this 18 day of August, 2006

Executed on this 16 day of August, 2006

STATE OF Oregon
County of Washington)SS.

STATE OF Minnesota
County of Ramsey)SS.

On August 18, 2006 personally appeared before me, Kristin Voss, who being duly sworn, stated that he/she is the Vice President of U.S. Bancorp Equipment Finance, Inc., acknowledged the foregoing instrument as voluntary act and deed of the Company by virtue of authority from its Board of Directors.

On August 16, 2006 personally appeared before me, Ed Robinson, who being duly sworn, stated that he/she is the Treasurer of Western Railroad Equipment Company, acknowledged the foregoing instrument as voluntary act and deed of the Company by virtue of authority from its Board of Directors.

Before me:

Before me:

Carri Bell
Notary Public for U.S. Bancorp Equipment Finance
My Commission Expires: 3-3-07

Angel Ameth Gonzalez
Notary Public for U.S. Bank
My Commission Expires: January 31, 2010

6/00

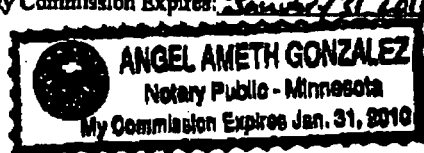
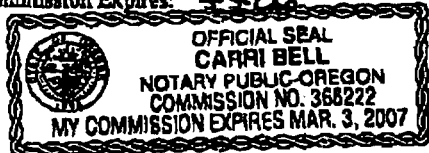


Exhibit "A"

TO MEMORANDUM OF LOAN AGREEMENT

Certain chattel paper, consisting of any and all now existing or hereafter arising rental and lease agreements and all rents, income, accounts, payment intangibles, and obligations arising now or hereafter thereunder and all proceeds of any of the foregoing (each an "Agreement" and collectively the "Agreements") between Western Railroad Equipment Company, as lessor, and its sub-users, and relating to the equipment and/or inventory that is the subject of such Agreements and is listed below. Any purchase of an Agreement, or perfection of a security interest therein by possession or other control of the Agreement, violates the rights of U.S. Bancorp Equipment Finance, Inc. (and its successors and assigns).

Twenty (20) Pressure Differential Covered Hopper Railcars, with Improvements and enhancements; Railcar numbers are as follows:

<u>OLD</u> <u>MAR</u>	<u>OLD</u> <u>NUMBER</u>	<u>NEW</u> <u>MARK</u>	<u>NEW</u> <u>NUMBER</u>
INRD	374101	WREX	6001
INRD	374239	WREX	6002
INRD	374542	WREX	6003
INRD	374564	WREX	6004
INRD	374571	WREX	6005
INRD	375013	WREX	6006
INRD	375017	WREX	6007
INRD	376025	WREX	6008
INRD	376041	WREX	6009
INRD	376049	WREX	6010
INRD	376063	WREX	6011
INRD	376062	WREX	6012
INRD	376088	WREX	6013
INRD	376084	WREX	6014
INRD	376086	WREX	6015
INRD	376093	WREX	6016
INRD	376112	WREX	6017
INRD	376117	WREX	6018
INRD	376119	WREX	6019
INRD	376124	WREX	6020

TOGETHER WITH ALL REPLACEMENTS, PARTS, REPAIRS, ADDITIONS, ACCESSIONS AND ACCESSORIES INCORPORATED THEREIN OR AFFIXED OR ATTACHED THERETO AND ANY AND ALL PROCEEDS OF THE FOREGOING, INCLUDING, WITHOUT LIMITATION, INSURANCE RECOVERIES.

6/00